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HOUSE BILL 983

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Henry 'Kiki' Saavedra

AN ACT

RELATING TO HIGHER EDUCATION; CHANGING PROVISIONS AND  
DISTRIBUTIONS OF THE FACULTY ENDOWMENT FUND; RECONCILING  
CONFLICTING AMENDMENTS TO THE SAME SECTION OF LAWS BY REPEALING  
LAWS 2003, CHAPTER 379, SECTION 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 21-1-27.1 NMSA 1978 (being Laws 2002,  
Chapter 31, Section 1, as amended by Laws 2003, Chapter 379,  
Section 1 and by Laws 2003, Chapter 392, Section 1) is amended  
to read:

"21-1-27.1. FACULTY ENDOWMENT FUND CREATED.--

A. The "faculty endowment fund" is created in the  
state treasury. The fund shall consist of appropriations,  
income from investment of the fund, gifts, grants, donations  
and bequests. ~~[Money in the fund shall not revert at the end~~

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1 ~~of any fiscal year.]~~

2           B. The faculty endowment fund shall be administered  
3 by the ~~[commission on]~~ higher education ~~[Except as provided in~~  
4 ~~Subsection J of this section]~~ department. Money shall be  
5 disbursed only on warrant of the secretary of finance and  
6 administration upon voucher signed by the ~~[executive director~~  
7 ~~of the commission on]~~ secretary of higher education or ~~[his]~~  
8 the secretary's authorized representative.

9           C. Money shall be disbursed from the faculty  
10 endowment fund only to establish endowments ~~[for chairs,~~  
11 ~~professorships and faculty development programs at four-year]~~  
12 at public post-secondary educational institutions as provided  
13 in this section. ~~[Except as provided in Subsection J of this~~  
14 ~~section]~~ An institution shall not receive a disbursement for an  
15 endowment until that institution has notified the ~~[commission~~  
16 ~~on higher education]~~ department that it has received matching  
17 funds for the endowment from other than governmental sources in  
18 ~~[an amount that is equal to or greater than the amount~~  
19 ~~authorized by this section to be disbursed for the endowment]~~  
20 the amount specified in this section.

21           D. ~~[Except as provided in Subsection J of this~~  
22 ~~section]~~ Money in the faculty endowment fund is appropriated to  
23 the ~~[commission on higher education]~~ department to be disbursed  
24 for ~~[the following endowment purposes in the following amounts:~~

25                   ~~(1) for endowed chairs, five hundred thousand~~

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1 ~~dollars (\$500,000) for each endowed chair;~~  
2 ~~(2) for endowed professorships, two hundred~~  
3 ~~thousand dollars (\$200,000) for each endowed professorship; and~~  
4 ~~(3) for endowed faculty development programs,~~  
5 ~~to include lectureships, graduate fellowships and other faculty~~  
6 ~~support programs, thirty-seven thousand five hundred dollars~~  
7 ~~(\$37,500) for each endowed faculty development program]~~  
8 endowment purposes, including endowed chairs, lectureships,  
9 professorships, scholarships, graduate assistantships, faculty  
10 development programs and other purposes that will enhance the  
11 quality of public post-secondary education in New Mexico. The  
12 department, by rule, shall establish procedures for disbursing  
13 money from the fund. Not less than five percent of each  
14 institution's total endowment effort resulting from amounts  
15 specified in this section shall address one or more of the  
16 governor's initiatives in film, energy, aerospace or education.

17 E. [~~Except as provided in Subsection J of this~~  
18 ~~section]~~ Until June 30, [2005] 2010, the following institutions  
19 shall be eligible for the following disbursements from the  
20 fund:

21 [~~(1) the university of New Mexico for four~~  
22 ~~endowed chairs;~~

23 ~~(2) New Mexico state university for four~~  
24 ~~endowed chairs;~~

25 ~~(3) New Mexico institute of mining and~~

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1 ~~technology for two endowed chairs;~~

2 ~~(4) the university of New Mexico for two~~  
3 ~~endowed chairs at the university of New Mexico medical center;~~  
4 ~~and~~

5 ~~(5) the university of New Mexico, New Mexico~~  
6 ~~state university, New Mexico highlands university, New Mexico~~  
7 ~~institute of mining and technology, western New Mexico~~  
8 ~~university and eastern New Mexico university for endowed~~  
9 ~~professorships and endowed faculty development programs. The~~  
10 ~~number of endowed professorships and endowed faculty~~  
11 ~~development programs allocated to each of the named~~  
12 ~~institutions shall be in the same ratio to the total number of~~  
13 ~~endowed professorships and endowed faculty development programs~~  
14 ~~allocated to all of the named institutions as the main campus~~  
15 ~~full-time-equivalent enrollment of the institution bears to the~~  
16 ~~total main campus full-time-equivalent enrollment of all of the~~  
17 ~~named institutions. For purposes of this paragraph, the main~~  
18 ~~campus full-time-equivalent enrollment of each institution~~  
19 ~~shall be based on enrollment figures for the second semester of~~  
20 ~~the 2001-2002 school year.~~

21 ~~F. On or after July 1, 2005, money remaining in the~~  
22 ~~faculty endowment fund shall be available for additional~~  
23 ~~disbursements by the commission on higher education to any of~~  
24 ~~the institutions named in this section, subject to receipt of~~  
25 ~~matching funds. Disbursements may be made based on the date~~

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1 ~~requests for additional disbursement are received by the~~  
2 ~~commission.]~~

3 (1) two million dollars (\$2,000,000) each for  
4 the university of New Mexico, New Mexico state university and  
5 the New Mexico institute of mining and technology and one  
6 million five hundred thousand dollars (\$1,500,000) for the  
7 university of New Mexico school of medicine; provided that no  
8 disbursement shall be made pursuant to this paragraph until the  
9 institution has shown to the satisfaction of the department  
10 that it has received matching funds in an amount equal to at  
11 least fifty percent of the disbursement;

12 (2) five hundred thousand dollars (\$500,000)  
13 each for New Mexico highlands university, eastern New Mexico  
14 university, western New Mexico university and northern New  
15 Mexico state school; provided that no disbursement shall be  
16 made pursuant to this paragraph until the institution has shown  
17 to the satisfaction of the department that it has received  
18 matching funds in an amount equal to at least forty percent of  
19 the disbursement; and

20 (3) for the total endowments at the New Mexico  
21 military institute, community colleges, branch community  
22 colleges and technical and vocational institutes, two million  
23 five hundred thousand dollars (\$2,500,000), provided that:

24 (a) the total amount shall be  
25 distributed pursuant to rules of distribution promulgated by

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1 the department that ensure each eligible institution an  
2 opportunity to receive an equitable share of the total amount  
3 to be distributed; and

4 (b) no disbursement shall be made  
5 pursuant to this paragraph until the institution has shown to  
6 the satisfaction of the department that it has received  
7 matching funds in an amount equal to at least thirty percent of  
8 the disbursement.

9 F. Effective July 1, 2010, funds remaining in the  
10 faculty endowment fund may be matched by any public post-  
11 secondary institution in this section for the purposes stated  
12 in this section in accordance with the rules established by the  
13 department.

14 G. The endowment funds of the institutions shall  
15 not be expended but shall be invested by the institutions in  
16 accordance with the prudent ~~man~~ investor rule, and in  
17 accordance with the provisions of Section 21-1-38 NMSA 1978.  
18 The income from the investments shall be used by the  
19 institutions to provide funding for chairs, lectureships,  
20 professorships, scholarships, graduate assistantships and  
21 faculty development programs and other purposes, including  
22 paying all or a portion of the salary of the faculty member or  
23 the expenses necessary to support associated academic  
24 activities.

25 ~~[H. Except as provided in Subsection J of this~~

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1 ~~section, disbursements of the faculty endowment fund by the~~  
2 ~~commission on higher education shall be allocated as follows:~~

3 ~~(1) fifty percent of the disbursements shall~~  
4 ~~be for endowed chairs;~~

5 ~~(2) thirty-five percent of the disbursements~~  
6 ~~shall be for endowed professorships; and~~

7 ~~(3) fifteen percent of the disbursements shall~~  
8 ~~be for endowed faculty development programs.~~

9 ~~I. If the disbursements allocated for endowed~~  
10 ~~chairs are not sufficient to fund the number of positions~~  
11 ~~specified in Paragraphs (1) through (4) of Subsection E of this~~  
12 ~~section, the number of endowed chairs for each of those four~~  
13 ~~institutions shall be proportioned by the commission on higher~~  
14 ~~education in the same manner as endowed professorships and~~  
15 ~~endowed faculty development programs are proportioned in~~  
16 ~~Paragraph (5) of Subsection E of this section, except that each~~  
17 ~~of the four institutions shall be allocated at least one~~  
18 ~~endowed chair.~~

19 ~~J. Up to three million dollars (\$3,000,000) of~~  
20 ~~the faculty endowment fund may be disbursed after July 1,~~  
21 ~~2003 to the commission on higher education to endow and~~  
22 ~~disburse the money for one endowed chair each to the~~  
23 ~~university of New Mexico, New Mexico state university and the~~  
24 ~~New Mexico institute of mining and technology. Each endowed~~  
25 ~~chair shall be eligible for one million dollars (\$1,000,000)~~

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1 ~~upon notification by the institution that it has received~~  
2 ~~matching funds for the endowment from other than state~~  
3 ~~sources in an amount equal to or greater than five hundred~~  
4 ~~thousand dollars (\$500,000) for establishment of an endowed~~  
5 ~~chair that is directly related to the economic development of~~  
6 ~~the state.]~~

7 H. No later than July 1 of 2008, 2009 and 2010,  
8 the department shall report to the legislative finance  
9 committee on disbursements made pursuant to this section.  
10 The report shall include the amounts disbursed to each  
11 institution, the amount of matching funds and their source  
12 and the purpose of the endowments."

13 Section 2. APPROPRIATION.--Twelve million dollars  
14 (\$12,000,000) is appropriated from the general fund to the  
15 faculty endowment fund for expenditure in fiscal year 2007  
16 and subsequent fiscal years for the purpose of making  
17 disbursements for endowments pursuant to Section 21-1-27.1  
18 NMSA 1978. Any unexpended or unencumbered balance remaining  
19 at the end of fiscal year 2012 shall revert to the general  
20 fund.

21 Section 3. REPEAL.--Laws 2003, Chapter 379, Section 1  
22 is repealed.